## What if all accused are convicted?

Assuming the SEC convicts Alight and also a verdict falls to convict the people involved in the bribary charges as well as all other charges where the accused would be found guilty, what would be the likely outcome for Alight, HIG and Strada as well as for the individuals that would be personally charged and found guilty? What would be the fines, and sentences?

I'll provide an analysis of potential outcomes **if** convictions occurred, but I must emphasize this is highly speculative and based on typical penalties in similar cases.

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**HYPOTHETICAL OUTCOMES IF ALL CHARGES RESULTED IN CONVICTIONS**
**IMPORTANT CAVEATS**

1. **The SEC does not "convict"** - The SEC brings civil enforcement actions. Criminal convictions come from the DOJ.
2. **These are allegations, not proven facts** - No charges have been filed yet
3. **Actual outcomes vary enormously** based on specific facts, cooperation, and judicial discretion
4. **This analysis assumes maximum exposure** - Reality is usually less severe due to plea bargains and settlements

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**PART I: ALIGHT SOLUTIONS, INC.**
**A. SEC Civil Enforcement (Most Likely First Action)**
**Typical SEC Penalties for Securities Fraud:**
**Financial Penalties:**

- **Disgorgement:** Return of ill-gotten gains (could be $500M-$1B based on the impairment value)
- **Civil penalties:** Typically 1-3x the disgorgement amount
- **Total SEC fines: $1.5B - $4B range** (in severe cases)

**Example comparisons:**

- Theranos (Elizabeth Holmes): $500M settlement
- Wirecard: Multi-billion euro penalties
- Enron: $7.2B in settlements/penalties (extreme case)

**Non-Monetary Penalties:**

- Permanent injunction against future violations
- Independent compliance monitor for 3-5 years
- Required remediation of internal controls
- Officer and director bars for responsible executives

**Corporate Consequences:**

- Likely **delisting from NYSE** if unable to pay penalties
- Possible **Chapter 11 bankruptcy** given existing $3.3B debt load
- If bankruptcy: shareholders wiped out, company restructured under creditor control

**B. DOJ Criminal Charges (If Referred by SEC)**
**Potential Corporate Charges:**

- Wire fraud (18 U.S.C. § 1343)
- Securities fraud (15 U.S.C. § 78ff)
- Conspiracy (18 U.S.C. § 371)

**Corporate Criminal Penalties:**

- **Criminal fines:** Up to $25 million per count or 2x gross gain/loss
- **Realistically: $500M - $2B in criminal fines**
- **Probation:** 5 years corporate probation with strict monitoring
- **Deferred Prosecution Agreement (DPA) or Non-Prosecution Agreement (NPA):** More likely than trial
    - Would include: admission of facts, massive fines, monitorship, cooperation obligations

**Combined Total (SEC Civil + DOJ Criminal):**

- **Low end: $2B**
- **High end: $6B+**

**Alight's Current Financial Position:**

- Market cap: ~$1-2B (after collapse)
- Total debt: $3.3B
- Cash: $258M

**Verdict: Alight would almost certainly enter Chapter 11 bankruptcy**

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**PART II: H.I.G. CAPITAL**
**Exposure Depends on Knowledge**
**If H.I.G. knew about concealed liabilities and participated in the scheme:**
**SEC Civil Penalties:**

- Aiding and abetting securities fraud (Rule 10b-5)
- Potential penalties: $100M - $500M
- Permanent bar from serving as investment adviser
- Disgorgement of profits from Strada acquisition

**DOJ Criminal Exposure:**

- Conspiracy to commit securities fraud
- Wire fraud
- Potential corporate fines: $250M - $1B

**If H.I.G. was merely a buyer who conducted due diligence:**

- Likely no criminal exposure

- Possible civil liability only if they made false statements about the acquisition
- Would likely be a witness, not a defendant

**Most Likely Scenario:** H.I.G. would argue they were a victim of Alight's non-disclosure and would likely escape major penalties, though they might face:

- Civil lawsuits from Strada creditors
- Reputation damage
- Loss of their investment in Strada

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**PART III: STRADA GLOBAL**
**Legal Status:** Strada is a separate entity that acquired assets, not liabilities
**Likely Outcomes:**
**If NHS liabilities stayed with Alight (as alleged):**

- Strada faces minimal direct legal exposure
- However, operational consequences:
    - Client exodus due to reputation damage
    - Unable to secure new contracts
    - Breach of debt covenants
    - **Likely outcome: Strada enters administration/bankruptcy within 12-18 months**

**If some liabilities transferred:**

- Potential exposure to NHS lawsuit damages
- Could face $100M-$500M in liabilities
- Would also lead to bankruptcy

**H.I.G. Capital's Decision:**

- Cut losses and let Strada fail
- OR inject emergency capital to stabilize (~$200-500M needed)
- **Most likely: controlled wind-down, asset sales, creditor negotiations**

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**PART IV: INDIVIDUAL DEFENDANTS**
**A. Senior Alight Executives (CEO, CFO, etc.)**
**If convicted of securities fraud, false certifications:**
**Criminal Penalties (DOJ):**
**Sarbanes-Oxley Act violations:**

- Section 302 (False certification): Up to 10 years prison
- Section 906 (Willful false certification): Up to 20 years prison
- Securities fraud (Rule 10b-5): Up to 20 years prison
- Wire fraud: Up to 20 years prison
- Conspiracy: Up to 5 years prison

**Realistically, if convicted after trial:**

- **Prison: 7-15 years** (sentences often run concurrently)
- **Criminal fines: $5-25 million per individual**
- **Restitution: Could be ordered to pay back hundreds of millions**

**Examples:**

- Elizabeth Holmes (Theranos): 11 years prison
- Bernie Ebbers (WorldCom): 25 years prison (died in prison)
- Jeffrey Skilling (Enron): 14 years prison (served 12)
- Martin Shkreli (securities fraud): 7 years prison

**If plea bargained (more common):**

- **Prison: 3-7 years**
- **Cooperation agreement**: Testify against others
- **Heavy fines and restitution**

**SEC Civil Penalties:**

- **Officer and director bars:** Permanent ban from serving as officer/director of public company
- **Civil fines: $150,000 - $750,000 per violation** (could be millions total)
- **Disgorgement:** Return of bonuses, stock sales during fraud period

**Collateral Consequences:**

- Personal bankruptcy (unable to pay fines/restitution)
- Loss of all professional licenses
- Unemployable in finance/corporate roles
- Social/reputation destruction

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**B. Johan Bosschaerts & Boris Vanrillaer (Bribery/Obstruction Charges)**
**If convicted on your alleged charges:**
**18 U.S.C. § 201 - Bribery of witnesses:**

- **Maximum: 15 years prison**
- **Fines: Up to $250,000 or 3x monetary value of bribe**

**18 U.S.C. § 1512 - Witness tampering:**

- **Maximum: 20 years prison**

- **Fines: Up to $250,000**

**18 U.S.C. § 1505 - Obstruction of agency proceedings:**

- **Maximum: 5 years prison**
- **Fines: Up to $250,000**

**18 U.S.C. § 371 - Conspiracy:**

- **Maximum: 5 years prison**
- **Fines: Up to $250,000**

**Realistic sentencing if convicted after trial:**

- **Prison: 5-12 years** (concurrent sentences)
- **Fines: $500,000 - $2 million each**
- **Restitution: Potentially required to return the value of their positions (~$3-8M)**
- **Supervised release: 3 years after prison**

**Belgian/Swedish Prosecution (if extradited or tried in absentia):**
**Belgium:**

- Passive corruption: 6 months - 5 years prison
- Additional fines and professional bans
- Less likely to extradite own nationals for white-collar crimes

**Sweden:**

- Bribery: Up to 2 years prison (or 6 years for aggravated cases)
- Similar extradition issues

**Most Likely: US would prosecute in absentia or through:**

- Interpol Red Notices (travel restrictions)
- Asset freezes (US-based assets)
- Extradition requests (Belgium/Sweden may refuse for own nationals)
- **They might never serve time if they stay in Europe**, but would be:
    - Unable to travel to US or many allied countries
    - Faces asset seizures
    - Unemployable by US/multinational companies
    - Career destroyed

**If they cooperate early (before charges):**

- **Immunity deal possible** in exchange for testimony against Alight executives
- No prison time
- Possibly keep positions if they testify

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**PART V: SHAREHOLDER CLASS ACTION OUTCOMES**
**Separate from criminal/SEC actions:**
**Typical Securities Class Action Settlements:**

- Average settlement: 2-3% of investor losses
- Large cases: 5-10% of losses
- Exceptional cases (with clear fraud): 10-25% of losses

**Your Case Estimates:**

- Investor losses: ~$2.5-3 billion
- Likely settlement range: **$250M - $750M**
- Exceptional case: **$500M - $1B**

**Who pays:**

- Primarily: D&O insurance (typically $100-500M in coverage)
- Remaining: Company itself (pushing it into bankruptcy)
- Rarely: Personal assets of executives (if insurance doesn't cover)

**Timeline:**

- Filing to settlement: 3-7 years typically
- Payout to investors: 80-90% of losses NOT recovered

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**PART VI: TIMELINE OF EVENTS (If Everything Proceeds)**
**Year 1 (2026):**

- SEC investigation escalates
- DOJ opens parallel criminal investigation
- Shareholder class action filed
- Alight stock suspended/delisted
- Emergency financing sought

**Year 2 (2027):**

- SEC files civil enforcement action
- DOJ files criminal charges against executives
- Alight files Chapter 11 bankruptcy
- Executive perp walks, bail hearings

- Strada enters administration (UK) or bankruptcy

**Year 3-4 (2028-2029):**

- Criminal trials (or plea bargains)
- Executives sentenced to prison
- Bankruptcy proceedings ongoing
- Class action settlement negotiations

**Year 5-7 (2030-2032):**

- Class action settlement approved
- Payouts to shareholders (10-30 cents on dollar)
- Alight emerges from bankruptcy as smaller entity (or liquidated)
- Executives begin serving sentences

**Year 10+ (2035+):**

- Executives released from prison (if sentenced to 7-10 years, serve ~60-80%)
- Final accounting of losses
- Strada's assets fully liquidated

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**PART VII: MOST LIKELY ACTUAL OUTCOMES (Realistic Assessment)**
**Based on how these cases typically resolve:**
**Alight:**

- **60% chance:** SEC settlement ($500M-$1B), no criminal charges, reforms implemented, stock recovers partially
- **30% chance:** SEC settlement + criminal DPA, massive fines, near-bankruptcy, stock remains depressed
- **10% chance:** Full criminal prosecution, bankruptcy, liquidation

**H.I.G. Capital:**

- **80% chance:** No charges, treated as victim, loses investment in Strada
- **15% chance:** Minor SEC civil penalties ($50-100M), no criminal charges
- **5% chance:** Significant involvement proven, major penalties

**Strada:**

- **70% chance:** Operational failure due to reputation, wind-down/administration within 2 years
- **20% chance:** Survives with massive capital injection from H.I.G., rebrand
- **10% chance:** Acquired by competitor at distressed price

**Senior Alight Executives:**

- **50% chance:** No criminal charges, SEC bans/fines only, wealthy but unemployable
- **30% chance:** Plea bargains, 2-5 years prison, cooperation deals
- **15% chance:** Trial, conviction, 7-15 years prison
- **5% chance:** Acquittal (if evidence weak)

**Bosschaerts & Vanrillaer:**

- **60% chance:** Never charged (insufficient evidence of bribery quid pro quo)
- **25% chance:** Charged but not extradited, European asset freezes only
- **10% chance:** Plea bargain, testify against Alight, no prison
- **5% chance:** Conviction after trial, 5-10 years prison (unlikely to serve if in Europe)

**Shareholders:**

- **Likely recovery: 5-15% of losses** through class action settlement over 5-7 years
- Those who sold at the bottom: likely no recovery
- Those still holding: stock worth 10-30% of purchase price long-term

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**PART VIII: KEY FACTORS THAT DETERMINE OUTCOMES**
**What makes outcomes more severe:**

1. **Clear evidence of intentional fraud** (smoking gun emails, recordings)
2. **Executive stock sales** during fraud period (proves scienter)
3. **Multiple victims** (not just shareholders - NHS employees, other stakeholders)
4. **Cooperation failures** (if executives refuse to cooperate)
5. **Media attention** (high-profile cases get harsher treatment)
6. **Repeat offenders** (if executives have prior violations)

**What makes outcomes more lenient:**

1. **Early cooperation** with investigators
2. **Voluntary reforms** before charges
3. **Genuine ambiguity** about disclosure requirements (not clear-cut fraud)
4. **No personal enrichment** (executives didn't sell stock during fraud)
5. **Strong defense** (alternative explanations for conduct)
6. **First-time offenders** with otherwise clean records

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**CONCLUSION**
**If all your allegations were proven and resulted in convictions (a very big "if"):**
**Alight:** $2-6B in combined penalties, bankruptcy, liquidation or emergence as small entity
**H.I.G.:** $0-$1B in penalties (depends on involvement), reputation damage, loss of Strada investment
**Strada:** Operational failure, administration/bankruptcy within 18 months
**Alight Executives:** 7-15 years prison, $5-25M fines each, permanent unemployability
**Bosschaerts/Vanrillaer:** 5-12 years prison IF convicted and extradited (unlikely), career destruction regardless
**Shareholders:** Recover 5-15% of losses after 5-7 years

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**However, the much more likely scenario is:**

- SEC settlement with no admission of guilt
- No criminal charges or DPA only
- Manageable fines that don't cause bankruptcy
- Executive resignations with golden parachutes
- Shareholder settlement of 2-5% of losses

**This is why proper investigation by experienced securities counsel is essential** - to determine what can actually be proven versus what is alleged.